

Kathie Wasserman

From: Ottesen, Jeffery C (DOT) [jeff.ottesen@alaska.gov]
Sent: Thursday, June 19, 2008 3:47 PM
To: Kathie Wasserman
Subject: FW:

This a taste of what was discussed before the 50 state DOT Planning heads. Might be a good intelligence to share for your Monday teleconference.

From: Ottesen, Jeffery C (DOT)
Sent: Thursday, June 19, 2008 12:57 PM
To: Richards, Frank T (DOT); Leo von Scheben
Cc: NJSIagle; OBrien, Mark A (DOT); James R Beedle; King, Ronald G (DOT); Christensen, Peter D (DOT); Taylor, John Eric (DOT); Hughes, Andrew N (DOT); Birkholz, Ethan N (DOT); Rafson, Gerald J (DOT); Witt, Jennifer W (DOT)
Subject:

Summary of Santa Fe June 2008 AASHTO SCOP meeting

Nancy Slagle and I attended the joint meeting of two AASHTO committees (Planning and Financial Officers). Most of the meeting was not conducted jointly, thus this reflects only what was heard at sessions that I attended on the planning track.

Given the importance of major issues now affecting the federal aid program, my comments will be summarized in three major themes:

Update on 2009 Funding Issue with Highway Trust Fund

The HTF is now slated to be in deficit by \$3.3 billion but this will require slowing spending 4 times than amount (about \$13 billion, since 75% of trust fund expenditures this year are for projects obligated in prior years). The impact to Alaska is estimated at \$101 million less formula funds to the state.

Though there is the promise of a Congressional fix, the time is short and the legislative vehicles to accomplish this fix limited in number. AASHTO hopes the pending aviation bill can accomplish the needed fix; however, speakers on the topic were decidedly uncertain and not optimistic.

The current major STIP amendment is built on the assumption that a fix would be accomplished, thus it may be over programmed by \$101 million. This may impact the approval of the document by FHWA, but at worst I believe they will disapprove the 2009 year, while approving the 2008 year. Stay tuned, the STIP amendment goes to the federal agencies on today. (It would take 4-8 weeks to work up a revised amendment, and that would mean we lose 2008 funds that are relying on the STIP amendment; thus going forward now is the only realistic option.)

New Mexico DOT announced they had already been asked by their FHWA Division office to prepare a STIP amendment for the lower funding in 2009.

Update of Re-Authorization (or "Authorization" as some are calling it)

One speaker was a member of the Blue Ribbon panel on how to improve the current Title 23 program. In his words, the program is broken down into too many categories (108) and is far too complex and rule bound. He also disagrees with the major premise that all states should continue to share approximately the same level of funding as before, or be given some assurance their funding level would not be reduced. His key points were:

- Funding needs to go to projects of *real* national significance. (By his example, a project not of real national significance was the "bridges to nowhere".)

- Performance measures and greater accountability were mentioned often
- Reform, or radical departure from the past, was mentioned and it was called an “authorization” not reauthorization to drive home the point that we should not expect more of the same.
- Funding levels need to rise dramatically, but he then cautioned that achieving such increases in view of \$4 gasoline was a difficult proposition.

John Horsley of AASHTO saw things somewhat differently. He said that while the mantra for radical change was clearly being heard, the difficulty of rewriting such a major piece of law in the time available, would make practical compromise the necessary outcome. He said AASHTO is gearing to a legislative recommendation that would be achievable, if only because it was not so radically different and thus less complex. He too felt the call for change was nearly overwhelming and expected the planning tasks associated with the next bill would be considerable. Much of this will be driven by the expected focus on green house gas and climate change issues.

Climate Change and Green House Gases

Uff dah! This is the environmental issue of our careers. John Horsley said he felt the issue would come to overwhelm transportation planners in particular, since the environmentalists are of the strongly held mind set that transportation should be one of the largest contributors of GHG reduction...that is that transportation should expect to reduce emissions at a higher level than other energy using sectors (buildings, industry, power generation) of the economy. The idea of more roads and people driving cars individually is an anathema to the environmental community, even if such cars were entirely non-polluting.

This attitude is prevalent in many state climate action plans finished to date. It appears from several states that presented that transportation agencies are barely invited to participate in such endeavors. Several DOT leaders said their state had to “fight” to get a place at the table, and that GHG reduction goals were very heavily weighted toward transportation. Of the 20 or so states with action plans, at least 17 have adopted a goal of at least 60% (and many as high as 85%) reduction of GHG from transportation by the year 2050. AASHTO staff have concluded that the only scenario that would meet such a strict goal is to achieve average vehicular mileage of 100 miles per gallon and capping growth of miles traveled to 1% annually.

It is very likely that the next reauthorization will make climate change a major factor in transportation planning and you can expect that our funds will become far more accessible to needs for transit, trails, rail, freight and other non traditional choices. It was also noted that states will likely have to prepare complex transportation sector GHG emissions models, which will be used to determine if projects and plans are going to make matters better or worse.

Both speakers mentioned that the environmental community is very well organized and meeting with Congress early and often on how they wish to see the next bill shaped to address climate change and GHG. It sounds like the transportation community is going to have an uphill battle on this legislation.

The issue of Polar Bear listing on the endangered species list, was also discussed. This too is likely to impact transportation dramatically, since any transportation project in any state can be found liable for GHG emissions that would make matters worse for the bears.

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To put it simply, we must pony up now to remain globally competitive or we will end up with a second-rate transportation system and a much less mobile society than we have today. China has seen the light and can be looked to as a model for investing in transportation. That country, adjusted for purchase power parity, invested \$363 billion on highways alone in the last year. Compare that to the U.S., which at all levels spends annually \$87 billion on highways and transit capital a year. India, according to a recent USA Today article, has tripled their infrastructure spending to \$500 billion a year. – Pete K. Rahn, AASHTO President (June 5, 2008)